

**DOM DEVELOPMENT S.A. CAPITAL GROUP**

**INTERIM CONDENSED  
CONSOLIDATED  
FINANCIAL STATEMENTS  
FOR THE SIX-MONTH PERIOD  
ENDED  
30 JUNE 2023**



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# 1 APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS BY THE MANAGEMENT BOARD OF THE COMPANY

These interim condensed consolidated financial statements for the six-month period ended on 30 June 2023, comprising:

- interim condensed consolidated balance sheet as at 30 June 2023,
- interim condensed consolidated income statement for the six-month period ended 30 June 2023,
- interim condensed consolidated statement of comprehensive income for the six-month period ended 30 June 2023,
- interim condensed statement of changes in consolidated shareholders' equity for the six-month period ended 30 June 2023,
- interim condensed consolidated cash flow statement for the six-month period ended 30 June 2023,
- additional notes to the interim condensed consolidated financial statements,

were prepared and approved by the Management Board of Dom Development S.A. on 28 August 2023.

The Management Board of Dom Development S.A. declares that to the best of its knowledge, these interim condensed financial consolidated statements for the six-month period ended 30 June 2023 with comparative data have been prepared in accordance with the applicable accounting policies, and reflect a true and fair economic and financial position of the Dom Development S.A. Capital Group and its financial result.

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**Jarosław Szanajca**

President of the Management Board

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**Leszek Stankiewicz**

Vice President  
of the Management Board

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**Małgorzata Kolarska**

Vice President  
of the Management Board

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**Mikołaj Konopka**

Member of the Management Board

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**Terry R. Royon**

Member of the Management Board

## 2 INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

ASSETS	Note	30.06.2023 (unaudited)	31.12.2022
<b>Fixed assets</b>			
Intangible assets		20 270	20 535
Tangible fixed assets	7.5	55 936	47 113
Deferred tax assets		46 915	52 721
Long-term receivables		9 171	8 817
Investment property		21 249	22 887
Other long-term assets		14 111	23 235
<b>TOTAL FIXED ASSETS</b>		<b>167 652</b>	<b>175 308</b>
<b>Current assets</b>			
Inventory	7.6	3 391 947	3 442 969
Trade and other receivables		88 572	87 679
Corporate income tax receivables		3 601	7 549
Other current assets		42 605	3 052
Short-term financial assets	7.7	90 290	91 163
Cash and cash equivalents	7.8	591 410	304 236
<b>TOTAL CURRENT ASSETS</b>		<b>4 208 425</b>	<b>3 936 648</b>
<b>TOTAL ASSETS</b>		<b>4 376 077</b>	<b>4 111 956</b>
<b>EQUITY AND LIABILITIES</b>			
	Note	30.06.2023 (unaudited)	31.12.2022
<b>Shareholders' equity</b>			
Share capital	7.9	25 698	25 548
Share premium	7.9	271 558	264 208
Other capital (supplementary capital)		763 392	670 640
Reserve capital from valuation of cash flow hedges		9 461	16 444
Reserve capital on account of the obligation to redeem non-controlling interests		-	-
Reserve capital from reduction of share capital		510	510
Unappropriated profit		284 743	435 864
<b>Equity attributable to the shareholders of parent company</b>		<b>1 355 362</b>	<b>1 413 214</b>
Non-controlling interests		57	59
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>1 355 419</b>	<b>1 413 273</b>
<b>Long-term liabilities</b>			
Loans, long-term portion	7.10	44 904	-
Bonds, long-term portion	7.11	260 000	260 000
Deferred tax provision		32 292	34 005
Long-term provisions		42 877	36 032
Lease liabilities, long-term portion	7.13	35 423	30 321
Other long-term liabilities		86 015	80 005
<b>TOTAL LONG-TERM LIABILITIES</b>		<b>501 511</b>	<b>440 363</b>
<b>Short-term liabilities</b>			
Trade payables, tax and other liabilities		454 344	407 542
Loans, short-term portion	7.10	-	59 177
Bonds, short-term portion	7.11	50 000	50 000
Accrued interest on loans and bonds	7.12	2 499	2 550
Lease liabilities, short-term portion	7.13	85 716	78 964
Corporate income tax payables		11 796	75 919
Dividends payables	7.24	282 682	-
Short-term provisions		31 026	32 842
Deferred income	7.14	1 601 084	1 551 326
<b>TOTAL SHORT-TERM LIABILITIES</b>		<b>2 519 147</b>	<b>2 258 320</b>
<b>TOTAL LIABILITIES</b>		<b>3 020 658</b>	<b>2 698 683</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>4 376 077</b>	<b>4 111 956</b>

All amounts in PLN '000.

### 3 INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

	Note	Six-month period ended 30.06.2023 <i>(unaudited)</i>	Six-month period ended 30.06.2022 <i>(unaudited)</i>	Three-month period ended 30.06.2023 <i>(unaudited)</i>	Three-month period ended 30.06.2022 <i>(unaudited)</i>
Sales revenue	7.16	1 274 517	1 328 825	452 508	601 846
Cost of sales	7.16	(876 943)	(923 355)	(312 367)	(430 129)
<b>Gross profit on sales</b>	<b>7.16</b>	<b>397 574</b>	<b>405 470</b>	<b>140 141</b>	<b>171 717</b>
Selling costs		(42 264)	(36 779)	(20 868)	(19 707)
General administrative expenses		(76 523)	(74 274)	(39 144)	(41 139)
Other operating income		9 527	3 132	7 103	1 880
Other operating expenses		(17 265)	(15 014)	(13 484)	(4 103)
<b>Operating profit</b>		<b>271 049</b>	<b>282 535</b>	<b>73 748</b>	<b>108 648</b>
Financial income		12 486	15 129	7 805	9 342
Financial costs		(1 692)	(4 591)	(585)	(2 881)
<b>Profit before tax</b>		<b>281 843</b>	<b>293 073</b>	<b>80 968</b>	<b>115 109</b>
Income tax	7.17	(59 282)	(57 250)	(17 173)	(21 067)
<b>Net profit from continued operations</b>		<b>222 561</b>	<b>235 823</b>	<b>63 795</b>	<b>94 042</b>
<b>Net profit from discontinued operations*)</b>		-	-	-	-
<b>Net profit</b>		<b>222 561</b>	<b>235 823</b>	<b>63 795</b>	<b>94 042</b>
<b>Net profit attributable to:</b>					
Shareholders of the parent company		222 563	235 782	63 796	94 044
Non-controlling interests		(2)	41	(1)	(2)
<b>Earnings per share attributable to shareholders of the parent company</b>					
Basic (in PLN)	7.18	8.69	9.25	2.49	3.68
Diluted (in PLN)	7.18	8.66	9.23	2.48	3.68

\*) In the six-month periods ended 30 June 2023 and 2022 the Group did not discontinue any of its activities.

All amounts in PLN '000 unless stated otherwise.

## 4 INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Six-month period ended 30.06.2023 <i>(unaudited)</i>	Six-month period ended 30.06.2022 <i>(unaudited)</i>	Three-month period ended 30.06.2023 <i>(unaudited)</i>	Three-month period ended 30.06.2022 <i>(unaudited)</i>
<b>Net profit</b>	<b>222 561</b>	<b>235 823</b>	<b>63 795</b>	<b>94 042</b>
<b>Other comprehensive income:</b>				
Net change to cash flow hedges	(8 621)	19 037	(4 128)	9 077
<b>Items to be accounted for in the income statement</b>	<b>(8 621)</b>	<b>19 037</b>	<b>(4 128)</b>	<b>9 077</b>
<b>Items not to be accounted for in the income statement</b>				
<b>Other net comprehensive income / (loss), before tax</b>	<b>(8 621)</b>	<b>19 037</b>	<b>(4 128)</b>	<b>9 077</b>
Income tax on other net comprehensive income to be accounted for in the income statement	1 638	(3 617)	784	(1725)
<b>Other net comprehensive income</b>	<b>(6 983)</b>	<b>15 420</b>	<b>(3 344)</b>	<b>7 352</b>
<b>Total net comprehensive income</b>	<b>215 578</b>	<b>251 243</b>	<b>60 451</b>	<b>101 394</b>
<b>Net comprehensive income attributable to:</b>				
Shareholders of the parent company	215 580	251 202	60 642	101 396
Non-controlling interests	(2)	41	(1)	(2)

All amounts in PLN '000.

## 5 INTERIM CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Note	Six-month period ended 30.06.2023 (unaudited)	Six-month period ended 30.06.2022 (unaudited)
<b>Cash flow from operating activities</b>			
<b>Profit before tax</b>		<b>281 843</b>	<b>293 073</b>
Adjustments:			
Depreciation		10 192	8 516
(Profit)/loss on foreign exchange differences		(900)	1 222
(Profit)/loss on investments		(5)	(757)
Interest cost/(income)		(8 291)	6 878
Cost of the valuation of management option programmes		1 750	328
Changes in the operating capital:			
Changes in provisions		5 027	1 756
Changes in inventory		63 546	96 408
Changes in receivables		1 254	(18 407)
Changes in short-term liabilities, excluding loans and bonds		53 466	10 068
Changes in prepayments and deferred income		15 894	(194 643)
Other adjustments		660	(1 098)
<b>Cash flow generated from operating activities</b>		<b>424 436</b>	<b>203 344</b>
Interest received		8 088	1 261
Interest paid		(8 826)	(7 375)
Income tax paid		(118 885)	(75 656)
<b>Net cash flow from operating activities</b>		<b>304 813</b>	<b>121 574</b>
<b>Cash flow from investing activities</b>			
Proceeds from the sale of intangible assets and tangible fixed assets		634	1 412
Proceeds from borrowings granted		-	-
Other proceeds / (expenses) from financial assets		267	-
Borrowings granted		-	(400)
Acquisition of intangible and tangible fixed assets		(8 007)	(8 357)
Acquisition of financial assets and additional contributions to the capital		-	(194 660)
<b>Net cash flow from investing activities</b>		<b>(7 106)</b>	<b>(202 005)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares (exercise of share options)	7.9	5 000	6 000
Proceeds from contracted loans and borrowings	7.10	44 904	19 251
Proceeds from commercial papers issued	7.11	-	-
Repayment of loans and borrowings	7.10	(59 177)	(51 523)
Redemption of commercial papers	7.11	(1 012)	(2 044)
Dividends paid		-	-
Payment of lease liabilities		(248)	(343)
<b>Net cash flow from financing activities</b>		<b>(10 533)</b>	<b>(28 659)</b>
<b>Increase / (decrease) in net cash and cash equivalents</b>		<b>287 174</b>	<b>(109 090)</b>
<b>Cash and cash equivalents – opening balance</b>	7.8	<b>304 236</b>	<b>607 041</b>
<b>Cash and cash equivalents – closing balance</b>	7.8	<b>591 410</b>	<b>497 951</b>

All amounts in PLN '000.



## 6 INTERIM CONDENSED STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

	Share capital	Share premium	Other capital (supplementary capital)	Reserve capital from reduction of share capital	Capital reserves on account of the obligation to redeem non-controlling interests	Reserve capital from valuation of cash flow hedges	Accumulated unappropriated profit (loss)	Equity attributable to the shareholders of parent company	Non-controlling interests	Total shareholders' equity
<b>Balance as at 1 January 2023</b>	<b>25 548</b>	<b>264 208</b>	<b>670 640</b>	<b>510</b>	<b>0</b>	<b>16 444</b>	<b>435 864</b>	<b>1 413 214</b>	<b>59</b>	<b>1 413 273</b>
Share capital increase by exercising share options (note 7.9)	150	7 350	-	-	-	-	-	7 500	-	7 500
Transfer of profit to supplementary capital	-	-	91 002	-	-	-	(91 002)	-	-	-
Dividends to shareholders (note 7.24)	-	-	-	-	-	-	(282 682)	(282 682)	-	(282 682)
Creation of reserve capital from the valuation of the share options (note 7.20)	-	-	1 750	-	-	-	-	1 750	-	1 750
Change in non-controlling interests and reserve capital as a result of the acquisition of shares in a subsidiary	-	-	-	-	-	-	-	-	-	-
Net profit for the reporting period	-	-	-	-	-	-	222 563	222 563	(2)	222 561
Other net comprehensive income for the reporting period	-	-	-	-	-	(6 983)	-	(6 983)	-	(6 983)
<b>Total net comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(6 983)</b>	<b>222 563</b>	<b>215 580</b>	<b>(2)</b>	<b>215 578</b>
<b>Increase / (decrease) in equity capital</b>	<b>150</b>	<b>7 350</b>	<b>92 752</b>	<b>-</b>	<b>-</b>	<b>(6 983)</b>	<b>(151 121)</b>	<b>(57 853)</b>	<b>(2)</b>	<b>(57 855)</b>
Balance as at 30 June 2023 ( <i>unaudited</i> )	<b>25 698</b>	<b>271 558</b>	<b>763 392</b>	<b>510</b>	<b>-</b>	<b>9 461</b>	<b>284 743</b>	<b>1 355 362</b>	<b>57</b>	<b>1 355 419</b>

All amounts in PLN '000.

	Share capital	Share premium	Other capital (supplementary capital)	Reserve capital from reduction of share capital	Capital reserves on account of the obligation to redeem non-controlling interests	Reserve capital from valuation of cash flow hedges	Accumulated unappropriated profit (loss)	Equity attributable to the shareholders of parent company	Non-controlling interests	Total shareholders' equity
<b>Balance as at 1 January 2022</b>	<b>25 398</b>	<b>258 358</b>	<b>626 738</b>	<b>510</b>	<b>(10 568)</b>	<b>7 647</b>	<b>332 367</b>	<b>1 240 450</b>	<b>8 728</b>	<b>1 249 178</b>
Share capital increase by exercising share options	150	5 850	-	-	-	-	-	6 000	-	6 000
Transfer of profit to supplementary capital	-	-	38 509	-	-	-	(38 509)	-	-	-
Dividends to shareholders	-	-	-	-	-	-	(268 258)	(268 258)	-	(268 258)
Creation of reserve capital from the valuation of the share options (note 7.20)	-	-	328	-	-	-	-	328	-	328
Change in non-controlling interests and reserve capital as a result of the acquisition of shares in a subsidiary	-	-	-	-	10 568	-	-	10 568	(8 702)	1 866
Net profit for the reporting period	-	-	-	-	-	-	235 782	235 782	41	235 823
Other net comprehensive income for the reporting period	-	-	-	-	-	15 420	-	15 420	-	15 420
<b>Total net comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15 420</b>	<b>235 782</b>	<b>251 202</b>	<b>41</b>	<b>251 243</b>
<b>Increase / (decrease) in equity capital</b>	<b>150</b>	<b>5 850</b>	<b>38 837</b>	<b>-</b>	<b>10 568</b>	<b>15 420</b>	<b>(70 985)</b>	<b>(160)</b>	<b>(8 661)</b>	<b>(8 821)</b>
Balance as at 30 June 2022 ( <i>unaudited</i> )	<b>25 548</b>	<b>264 208</b>	<b>665 575</b>	<b>510</b>	<b>-</b>	<b>23 067</b>	<b>261 382</b>	<b>1 240 290</b>	<b>67</b>	<b>1 240 357</b>

All amounts in PLN '000.



**7** **ADDITIONAL NOTES  
TO THE INTERIM CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS**



## 7.1 GENERAL INFORMATION ABOUT THE PARENT COMPANY OF THE DOM DEVELOPMENT S.A. CAPITAL GROUP AND THE GROUP

### GENERAL INFORMATION ABOUT THE PARENT COMPANY OF THE DOM DEVELOPMENT S.A. CAPITAL GROUP

Name:	Dom Development S.A.
Registered office:	Plac Piłsudskiego 3, 00-078 Warszawa
Legal form:	Spółka Akcyjna (public limited company)
Country of registration:	Poland
Registered address of the office:	Plac Piłsudskiego 3, 00-078 Warszawa
Principal place of business:	Poland

The parent company of Dom Development S.A. Capital Group (“the Group”) is the public limited company Dom Development S.A. (“the Company” / “the parent company”) entered into the National Court Register under number 0000031483, maintained by the District Court for the capital city of Warsaw, 12th Commercial Division of the National Court Register.

According to the Polish Classification of Business Activity the scope of activity of the Company and companies operating within the Group is the development of building projects – PKD 4110Z (NACE F41.1). The Company conducts its activities mainly in the Warsaw market. The Group’s companies also operate in the Tricity, Wrocław and Cracow markets.

The Company is a majority-owned subsidiary of Groupe Belleforêt S.à r.l. with its registered office in Luxembourg (see note 7.9). As at 30 June 2023 the parent company Dom Development S.A. was controlled by Groupe Belleforêt S.à r.l. As at the date of the preparation of these interim condensed consolidated financial statements, Groupe Belleforêt S.à r.l. held 55.02% of the Company’s shares.

### GENERAL INFORMATION ABOUT THE GROUP

The Group’s structure and the parent company interest (direct and indirect) in the share capital of the entities comprising the Group as at 30 June 2023 is presented in the table below:

COMPANY	Country of registration	% of the share capital held by the parent company	% of the votes held by the parent company	Consolidation method
<b>Subsidiaries</b>				
Dom Development Grunty Sp. z o.o.	Poland	46%	100%	full consolidation
Dom Development Kredyty Sp. z o.o.	Poland	100%	100%	full consolidation
Dom Development Wrocław Sp. z o.o.	Poland	100%	100%	full consolidation
Dom Land Sp. z o.o.	Poland	-	-	full consolidation
Euro Styl S.A.*)	Poland	100%	100%	full consolidation
Euro Styl Development Sp. z o.o. w likwidacji*)	Poland	100%	100%	full consolidation
Mirabelle Investments Sp. z o.o.	Poland	100%	100%	full consolidation
Dom Construction Sp. z o.o.	Poland	100%	100%	full consolidation
Dom Development Kraków 12 Sp. z o.o.	Poland	100%	100%	full consolidation
Dom Development Kraków Sp. z o.o.	Poland	100%	100%	full consolidation
Issogne Sp. z o.o.	Poland	100%	100%	full consolidation

\*) Euro Styl S.A. is the parent company of the Euro Styl S.A. Capital Group, with non-controlling interests held by Euro Styl Development Sp. z o.o. w likwidacji (under liquidation). As a result of the acquisition of both these companies, Dom Development S.A. has full control over the Euro Styl S.A. Capital Group.

The main area of activity of the Group is the construction and sale of residential real estate.

Dom Development Grunty Sp. z o.o. is fully consolidated (with 46% share in the share capital held by the parent company) as its financial and operational policy is managed by members of the management board nominated by Dom Development S.A. The area of activities of this subsidiary is the purchase of real estate to be further developed by the Group.

Dom Development S.A. does not have a stake in the Dom Land sp. z o.o., but it controls this company through the persons holding office in the management board of the company. Dom Land Sp. z o.o. holds 54% shares in Dom Development Grunty Sp. z o.o.

All companies operating within the Group conduct business activities in the territory of Poland under the Code of Commercial Companies, with the unlimited duration.

In the six-month period ended 30 June 2023 the Group did not discontinue any of its activities.

### **MATERIAL CHANGES TO THE GROUP STRUCTURE, INCLUDING AS A RESULT OF A MERGER, ACQUISITION OR SALE OF THE COMPANIES OPERATING WITHIN THE CAPITAL GROUP, LONG-TERM INVESTMENTS, DEMERGER, RESTRUCTURING OR DISCONTINUATION OF ACTIVITIES.**

- Further consolidation of property development operations on the Cracow market through Dom Development Kraków Sp. z o.o.

On 20 March 2023, the Meeting of Shareholders of Dom Development Kraków Sp. z o.o. and the General Meeting of Shareholders of Sento S.A. adopted resolutions regarding the merger of Dom Development Kraków Sp. z o.o. as the acquiring company with Sento S.A. as the acquired company.

The said merger was registered in the National Court Register on 3 April 2023.

Save for the aforementioned transactions, within the six-month period ended 30 June 2023, the Group did not make any other material changes in the structure of investing in subsidiaries, associates and joint ventures.

## **7.2 BASIS FOR THE PREPARATION OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

These interim condensed consolidated financial statements have been prepared on a historical cost basis.

Certain information and disclosures, which in accordance with the International Financial Reporting Standards ("IFRS") adopted by the European Union (EU) are normally included in annual consolidated financial statements, have been condensed or omitted in these interim condensed financial statements pursuant to International Accounting Standard No. 34, "Interim Financial Reporting" (IAS 34).

The interim condensed consolidated financial statements have been prepared on the assumption that the companies operating within the Group will continue as a going concern in the foreseeable future.

The Russian invasion of Ukraine launched on 24 February 2022 continues to be a factor destabilising the economic environment throughout the region. The Company and its subsidiaries operate exclusively in Poland. The Company's Management Board believes that the war in Ukraine may affect the demand for dwellings, construction costs, and the availability of subcontractors. As at the date of the preparation of these interim condensed consolidated financial statements all of the Company's development projects were progressing as planned or even more quickly than planned. The Company's Management Board continuously monitors the situation and analyses its potential impact from the perspective of individual projects, the Company as a whole and the Group, and its long-term objectives. In the opinion of the Management Board of the Company no circumstances that would indicate that there is a threat to the continued activity of the Group are known as at the date of the approval of these interim condensed consolidated financial statements.

The functional currency of the parent company and other companies incorporated in these interim condensed consolidated financial statements is Polish zloty (PLN). The interim condensed consolidated financial statements are stated in Polish zloty. Financial data included in the interim condensed consolidated financial statements are expressed in thousands of PLN unless stated otherwise.

The presented interim condensed consolidated balance sheet, interim condensed consolidated income statement, interim condensed consolidated statement of comprehensive income, interim condensed consolidated cash flow statement and interim condensed statement of changes in consolidated shareholders' equity are unaudited, however they have been the subject of review by an independent certified auditor. These unaudited interim condensed consolidated financial statements do not include all the information and disclosures that are required from annual consolidated financial statements and therefore should be read in conjunction with the audited consolidated financial statements of the Group and the notes thereto for the year ended 31 December 2022.

The Company also prepares interim condensed financial statements for Dom Development S.A. for the six-month period ended 30 June 2023. These statements were approved by the Management Board of the Company on 28 August 2023.

## 7.3 ACCOUNTING POLICIES

Polish law requires the Group to prepare its interim condensed consolidated financial statements in accordance with IFRS, applicable to interim financial reporting as adopted by the European Union (EU) (IAS 34). At this particular time, due to the endorsement of IFRS by the EU and the activities of the Group, there are no differences in the IFRS policies applied by the Group and IFRS that have been endorsed by the EU.

The interim condensed consolidated financial statements have been prepared in accordance with IFRS applicable in the interim financial reporting (IAS 34) and all applicable IFRS that have been adopted by the EU.

These interim condensed consolidated financial statements are prepared based on the same accounting policies as for the consolidated financial statements of the Group for the year ended 31 December 2022, except for the following amendments to existing standards and new interpretations that are effective for annual periods beginning on 01 January 2023:

- Amendments to IAS 1 *Presentation of Financial Statements* and the IFRS Advisory Council's guidance on disclosure of accounting policies in practice. The amendment to IAS 1 requires disclosure of material information on accounting policies as defined in the standard. The amendment clarifies that information on accounting policies is material if, in the absence of such information, users of financial statements would not be able to understand other material information in the financial statements. Moreover, the Advisory Council's guidance on the application of the materiality concept have also been amended to provide guidance on the application of the concept of materiality to disclosures of accounting policies.
- Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. In February 2021, the Council published an amendment to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors in the Definition of Estimates. This amendment to IAS 8 explains how entities should distinguish changes in accounting policies from changes in accounting estimates.
- Amendments to IAS 12 *Income Taxes*: The amendments to IAS 12 clarify how to account for deferred tax on transactions such as leases and decommissioning obligations. Before the amendment, there was uncertainty as to whether the recognition of equal amounts of assets and liabilities for accounting purposes (e.g. initial recognition of leases) that had no impact on current tax settlements would require the recognition of deferred tax balances or whether the initial recognition exemption would apply.

The initial recognition exemption means that deferred tax balances are not recognised if the recognition of an asset or liability component has no impact on the accounting or tax result at the time of recognition. The amended IAS 12 addresses this issue by requiring deferred tax to be recognised in the above situation by adding an additional provision that the initial recognition exemption does not apply if an entity recognises both an asset and a corresponding liability, and each of them leads to temporary differences.

The introduced amendments were scrutinised by the Management Board of the Company and they do not materially affect the Group's financial position, operating results or the scope of information presented in these interim condensed consolidated financial statements.

The Group has not decided for earlier adoption of any standard, interpretation or improvement/amendment, which was published and has not yet come into force.

The following standards and interpretations issued by the International Accounting Standards Board or the International Financial Reporting Interpretation Committee that have not come into force or been endorsed by the EU:

- Amendments to IAS 1 *Presentation of Financial Statements*. In 2020, the IASB published amendments to IAS 1 which clarify the presentation issue of long-term and short-term liabilities.. In October 2022, the ISAB issued further amendments to IAS 1, which address the classification of liabilities as long- and short-term liabilities for which an entity is required to comply with certain covenants. Amended IAS 1 specifies that liabilities are classified as short- or long-term depending on the rights [to defer settlement of a liability] existing at the end of the reporting period. The classification is not affected by either the entity's expectations or an event after the reporting date (for example, waiver of a covenant or its violation). The published amendments are effective for financial statements for the periods beginning on or after 1 January 2024. These amendments have not been endorsed by the EU as at the date of these interim condensed consolidated financial statements.
- Amendment to IFRS 16 *Leases*. In September 2022, the Board amended IFRS 16 "Leases" to supplement the requirements for the subsequent measurement of a lease liability for a sale and leaseback transaction when the criteria of IFRS 15 are met and the transaction is to be accounted for as a sale. The amendment requires a seller-lessee to subsequently measure lease liabilities arising from a leaseback in such a way that no profit or loss related to the retained right-of-use is recognised. The new requirement has a particular relevance when a leaseback transaction includes variable lease payments that do not depend on an index or a rate, as such payments are excluded from "lease payments" under IFRS 16. The amended standard incorporates a new example that illustrates the application of the new requirement in this respect. The amendment is effective from 1 January 2024. These amendments have not been endorsed by the EU as at the date of these interim condensed consolidated financial statements.

- Amendments to IFRS 10 and IAS 28 concerning sale or contribution of assets between an investor and its associate or joint venture. They remove the existing inconsistency between IFRS 10 and IAS 28. The accounting treatment depends on whether non-cash assets sold or contributed to an associate or a joint venture constitute a business. If the non-cash assets constitute a business the investor discloses a full gain or loss on the transaction. If the assets cannot be classified as a business the investor recognises the gain or loss only in the scope of the shares of other investors therein. The approval of this amendment has been postponed by the European Union as at the date of these interim condensed consolidated financial statements.

The Management Board is verifying effect of the above standards on the Group's financial position, operating results or the scope of information presented in the Group's interim condensed consolidated financial statements. It is not expected by the Management Board of the Company that new standards and amendments to the existing standards could have a significant impact on the interim condensed consolidated financial statements of the Group for the period, when they are adopted for the first time.

## 7.4 KEY FIGURES BASED ON PROFESSIONAL JUDGEMENT AND BASIS FOR ESTIMATES

In addition to the accounting estimations, when applying the accounting policies in relation to the issues described below, the most significant was the professional judgement and the assumptions made by the management.

### BUDGETS OF THE DEVELOPMENT PROJECTS

The decision to purchase real estate (land) is based upon analysis, where the so called "purchase budget" is the major component. This budget is prepared to assess the future profitability of projects. The budgets for these construction projects are updated based on management's best knowledge and experience from when the real estate is purchased. The budgets for all construction projects are verified and updated when necessary, at least once every three months. Updated project budgets are the basis for:

- verification of their profitability and any potential inventory impairment write down,
- preparation of financial forecasts, annual budgets and medium term plans.

### RECOGNITION OF REVENUE FROM THE SALE OF PRODUCTS

The revenue from the sale of real estate (housing units, commercial space, etc.) is recognised at the moment when control over the real estate is transferred to the buyer of said real estate together with the transfer of significant risks and rewards typical to the ownership rights. According to the Company's judgement this occurs at the moment of handover of the real estate to the buyer, which is based on a handover document signed by both parties and subject to the condition that the buyer has made 100% payment of the sale price for the real estate.

Revenue from the performance of an unfinished construction service is determined by the percentage of completion method - in an amount proportional to the degree of completion, which is measured as the share of costs incurred from the date of conclusion of the contract to the date of valuation as at the balance sheet date.

### SEASONALITY

The operating activity of the Group is not subject to any major seasonality.

## 7.5 TANGIBLE FIXED ASSETS

TANGIBLE FIXED ASSETS	30.06.2023 (unaudited)	31.12.2022
<b>Tangible fixed assets, including:</b>		
Technical equipment and other tangible fixed assets	5 047	3 858
Vehicles	7 035	6 608
Land and buildings	896	1 707
Right-of-use of premises	42 958	34 940
<b>Total</b>	<b>55 936</b>	<b>47 113</b>

As at 30 June 2023 there were no circumstances that would require the Group to create revaluation write downs for its tangible fixed assets.

No collaterals have been established on tangible fixed assets.

## 7.6 INVENTORY

INVENTORY	30.06.2023 (unaudited)	31.12.2022
<b>Advances on deliveries</b>	<b>124 937</b>	<b>101 606</b>
including: at purchase prices/production costs	124 937	101 606
write down to the net realisable value	-	-
<b>Semi-finished goods and work in progress</b>	<b>3 120 995</b>	<b>3 054 616</b>
including: at purchase prices/production costs	3 089 359	3 026 982
rights of perpetual usufruct of land (lease)	72 541	68 539
write down to the net realisable value	(40 905)	(40 905)
<b>Finished goods</b>	<b>146 015</b>	<b>286 747</b>
including: at purchase prices/production costs	152 244	292 976
write down to the net realisable value	(6 229)	(6 229)
<b>Total</b>	<b>3 391 947</b>	<b>3 442 969</b>

INVENTORY REVALUATION WRITE DOWNS	01.01-30.06 2023 (unaudited)	01.01-30.06 2022 (unaudited)
<b>Opening balance</b>	<b>47 134</b>	<b>34 751</b>
Increments	-	-
(Decrease)	-	-
<b>Closing balance</b>	<b>47 134</b>	<b>34 751</b>

The value of inventory revaluation write downs have resulted from the impairment tests and analysis performed by the Group.

CARRYING VALUE OF INVENTORY USED TO SECURE THE PAYMENT OF LIABILITIES AND VALUE OF THE MORTGAGES ESTABLISHED	30.06.2023 (unaudited)	31.12.2022
<b>MORTGAGES - value of mortgages to secure liabilities under:</b>		
Real estate purchase agreements	-	-
Loan agreements of the Company and Group companies	660 000	585 000

\*) The Group uses bank loans granted to the Company which may also be used by other specific Group companies under credit sub-limits allocated to them (see note 7.10).

## 7.7 SHORT-TERM FINANCIAL ASSETS

SHORT-TERM FINANCIAL ASSETS	30.06.2023 (unaudited)	31.12.2022
Bank deposits with a maturity over three months	-	-
Cash in open-end residential escrow accounts	74 897	69 594
Other short-term financial assets	15 393	21 569
<b>Total</b>	<b>90 290</b>	<b>91 163</b>

Cash received from the Group's customers as advances for the sale of products which is deposited in open-end residential escrow accounts until the relevant requirements specified in the "Act on the Protection of Rights of a Dwelling Unit or House Buyer" are met, is presented in *Cash in open-end residential escrow accounts*.

Funds accumulated in escrow accounts intended for the joint infrastructural project on development projects completed by the Group are included in *Other short-term financial assets*.

## 7.8 CASH AND CASH EQUIVALENTS

*Cash and cash equivalents* are represented by cash at bank and cash in hand, including short-term bank deposits with up to three months maturity on the date when they are made. The book value of these assets corresponds to their fair value.

CASH AND CASH EQUIVALENTS	30.06.2023 (unaudited)	31.12.2022	30.06.2022 (unaudited)
Cash in hand and at bank	95 294	36 747	102 137
Short-term deposits	496 116	267 489	395 813
Other	-	-	1
<b>Total</b>	<b>591 410</b>	<b>304 236</b>	<b>497 951</b>

## 7.9 SHARE CAPITAL

### DESCRIPTION OF CHANGES TO THE SHARE CAPITAL IN THE COMPANY IN THE PERIOD FROM 1 JANUARY UNTIL 30 June 2023, AND THE BALANCE AS AT 30 June 2023

CHANGE IN THE REPORTING PERIOD	Share capital: Number of shares	Share capital: Value at the nominal value	Share premium
<b>Balance as at 01.01.2023</b>	<b>25 548 422</b>	<b>25 548</b>	<b>264 208</b>
Change	150 000	150	7 350
<b>Balance as at 30.06.2023 (unaudited)</b>	<b>25 698 422</b>	<b>25 698</b>	<b>271 558</b>

Each share in Dom Development S.A. has a nominal value of PLN 1.

None of the Company's shares are preference and restricted shares.

The share capital was paid up in cash.

All shares are bearer shares.

### EXERCISE OF COMPANY'S SHARE OPTIONS

- Registration of series AG shares on 26 January 2023

On 19 December 2022, the Management Board adopted a resolution on the increase of share capital in the Company by issuing 50 000 series AG ordinary bearer shares. The issue price for series AG shares was determined as PLN 50.00 per share.

The shares were issued in a private placement addressed to Mr Leszek Stankiewicz, Vice President of the Management Board as a participant in Management Options Programme VII. On 29 December 2022, the Management Board adopted a resolution on the allotment of the above-mentioned shares to Mr Leszek Stankiewicz.

On 26 January 2023, this increase of the Company's share capital was registered by the District Court for the capital city of Warsaw in Warsaw, 12th Commercial Division of the National Court Register. Series AG shares were registered by Krajowy Depozyt Papierów Wartościowych S.A. (National Depository for Securities) in the securities depository and introduced to stock exchange trading at the WSE main market on 14 June 2023.

- Exercise of share options and capital increase by way of issue of AH and AI series shares

On 6 February 2023, the Management Board resolved to increase Company's share capital from PLN 25 598 422.00 to PLN 25 698 422.00, i.e. by PLN 100 000.00, by issuing 50 000 series AH ordinary bearer shares with PLN 1.00 nominal each and 50 000 series AI ordinary bearer shares with PLN 1.00 nominal each. The issue price for series AH and AI shares was determined as PLN 50.00 per share. The issue of series AH and AI shares took place through a private placement. The purpose of issuing series AH and AI shares as part of the authorised capital is to enable the Company to fulfil its obligations resulting from:

- Management Option Programme V for Mikołaj Konopka, Member of the Management Board, concerning 250 000 shares in Dom Development S.A., and
- Management Option Programme VII for Leszek Stankiewicz, Vice President of the Management Board, concerning 250 000 shares in Dom Development S.A. (see note 7.20).

On 8 February 2023:

- Mr Mikołaj Konopka exercised his share options in the Company by exercising his rights under subscription warrants and subscribing for 50 000 shares. The issue price for the new series AH shares was PLN 50.00 per share.
- Mr Leszek Stankiewicz exercised his share options in the Company by exercising his rights under subscription warrants and subscribing for 50 000 shares. The issue price for the new series AI shares was PLN 50.00 per share.

and they were registered by the District Court for the capital city of Warsaw on 15 May 2023. Series AH and AI shares were registered by Krajowy Depozyt Papierów Wartościowych S.A. (National Depository for Securities) in the securities depository and introduced to stock exchange trading at the WSE main market on 14 June 2023.

### ADOPTION OF THE NEW MANAGEMENT OPTION PROGRAMME

In the six-month period ended 30 June 2023 no new share options for the shares in the Company were granted.

### LIST OF SHAREHOLDERS WHO HOLD, DIRECTLY OR INDIRECTLY THROUGH SUBSIDIARIES, AT LEAST 5% OF THE OVERALL NUMBER OF VOTES AT THE GENERAL SHAREHOLDERS MEETING ("GSM") AS AT THE DATE THAT THESE FINANCIAL STATEMENTS ARE PREPARED AND APPROVED BY THE COMPANY'S MANAGEMENT BOARD.

	Status as at the date of preparing of these financial statements				Change from the publication of the Q1 2023 report
	Shares	% shares	Number of votes at the GSM	% votes at the GSM	Shares
<b>Groupe Belleforêt S.à r.l.</b>	14 140 441	55.02	14 140 441	55.02	-
PTE Allianz Polska S.A. *)	2 501 493	9.73	2 501 493	9.73	-
Jarosław Szanajca	1 454 050	5.66	1 454 050	5.66	-

\*) The PTE Allianz Polska S.A. shareholding in the Company has been presented in accordance with the notification of 15.05.2023 that specifies the shares held by Allianz OFE.



**THE SHARES OF DOM DEVELOPMENT S.A. OR RIGHTS THERETO (OPTIONS) OWNED BY THE PERSONS PERFORMING MANAGEMENT AND SUPERVISORY FUNCTIONS AT DOM DEVELOPMENT S.A. AS AT THE DATE THAT THESE FINANCIAL STATEMENTS ARE PREPARED AND APPROVED BY THE COMPANY'S MANAGEMENT BOARD.**

	Status as at the date of preparing of these financial statements				Change from the publication of the Q1 2023 report	
	Shares	Nominal value of shares (in PLN '000)	Share options	Shares and options, total	Shares	Share options
<b>MANAGEMENT BOARD</b>						
Jarosław Szanajca	1 454 050	1 454	-	1 454 050	-	-
Małgorzata Kolarska	288 764	289	-	288 764	(14 780)	-
Leszek Stankiewicz	100 000	100	150 000	250 000	-	-
Mikołaj Konopka	172 561	172	50 000	222 561	-	-
Terry R. Roydon	58 500	59	-	58 500	-	-
<b>SUPERVISORY BOARD</b>						
Grzegorz Kiełpsz	1 280 750	1 281	-	1 280 750	-	-
Janusz Zalewski	300 000	300	-	300 000	-	-
Mark Spiteri	900	1	-	900	-	-

The Members of the Management Board and the Supervisory Board of the Company did not hold any shares in other companies operating within the Group, except for in Dom Land Sp. z o.o., in which Jarosław Szanajca, Grzegorz Kiełpsz and Mark Spiteri held 20% shares each as at the date of preparing of this report.

## 7.10 LOANS

### DESCRIPTION OF MATERIAL CHANGES IN THE SIX-MONTH PERIOD ENDED 30 JUNE 2023

On 8 February 2023, PKO Bank Polski S.A. and Dom Development S.A. and Euro Styl S.A. entered into Annex no. 4 to the revolving overdraft facility agreement dated 27 July 2015 under which the loan amount was increased from PLN 150 000k to PLN 200 000k. Pursuant to the said agreement, Euro Styl S.A. may still use up to PLN 50 000k of this credit limit. The term of the agreement was extended until 26 February 2027.

The structure of loan liabilities in terms of their maturity has been presented in the table below.

LOANS DUE WITHIN	30.06.2023 (unaudited)	31.12.2022
Less than 1 year		59 177
More than 1 year and less than 2 years		-
More than 2 years and less than 5 years	44 904	-
Over 5 years		-
<b>Total loans</b>	<b>44 904</b>	<b>59 177</b>
including: long-term	44 904	-
short-term	-	59 177

As at 30 June 2023 and 31 December 2022 all the loans taken by the Group were expressed in Polish zloty.

#### BANK LOANS AS AT 30.06.2023

Bank	Registered office	Loan amount as per agreement	Currency	Outstanding loan amount (less accrued interest)	Currency	Due date
PKO BP	Warsaw	200 000	PLN	15 448	PLN	26.02.2027
mBank	Warsaw	200 000	PLN	29 456	PLN	29.01.2027
Millennium	Warsaw	40 000	PLN	-	PLN	17.12.2023
<b>Total bank loans</b>		<b>440 000</b>		<b>44 904</b>	<b>PLN</b>	

#### CORE DETAILS CONCERNING CREDIT LINES HELD BY THE COMPANY

- PKO BP S.A. loan

Revolving loan in the credit facility account up to PLN 200 000k. Pursuant to the agreement with the bank, Euro Styl S.A. may use up to PLN 50 000k of this credit limit. As at 30 June 2023 Dom Development S.A. has not drawn any funds therefrom, while Euro Styl S.A. drawn PLN 15 448k.

- mBank S.A. loan

Revolving loan in the credit facility account up to PLN 200 000k. Under the said agreement, Dom Development Wrocław Sp. z o.o. may use up to PLN 60 000k of this credit limit, and Euro Styl S.A. may use up to PLN 100 000k of this credit limit. As at 30 June 2023 Dom Development S.A. and Dom Development Wrocław Sp. z o.o. has not drawn any funds therefrom, while Euro Styl S.A. drawn PLN 29 456k.

- Millennium Bank S.A. loan

Revolving loan up to PLN 40 000k.

The Group recognises the nominal value of the liability under *Loans*, and the interest charged as at the balance sheet date is presented separately under *Accrued interest on loans and bonds*.

Due to the fact that the interest on the loans is correlated to the WIBOR interest rate, the Company's Management Board estimates that the fair value of the loans taken by the Group approximately equals their book value, including accrued interest.

## 7.11 BONDS

BONDS	30.06.2023 (unaudited)	31.12.2022
Nominal value of the bonds issued, long-term portion	260 000	260 000
Nominal value of the bonds issued, short-term portion	50 000	50 000
<b>Nominal value of the bonds issued</b>	<b>310 000</b>	<b>310 000</b>

The Group recognises the nominal value of the bond liabilities under *Bonds*, and the interest charged as at the balance sheet date are presented separately under *Accrued interest on loans and bonds*.

Due to the fact that the interest on the bonds is correlated to the WIBOR interest rate, the Company's Management Board estimates that the fair value of the bonds issued by the Group approximately equals their book value, including accrued interest.

#### BONDS ISSUED AS AT 30.06.2023

Series	Issuer	Issue date	Amount	Currency	Maturity date
DOMDET2091023	Dom Development S.A.	09.10.2018	50 000	PLN	09.10.2023
DOMDET3121224	Dom Development S.A.	12.12.2019	50 000	PLN	12.12.2024
DOMDET4250925	Dom Development S.A.	25.09.2020	100 000	PLN	25.09.2025
DOMDET5120526	Dom Development S.A.	12.05.2021	110 000	PLN	12.05.2026
<b>Total</b>			<b>310 000</b>	<b>PLN</b>	

### CORE DETAILS CONCERNING THE BONDS ISSUED

- Agreement with Trigon Dom Maklerski S.A. and Trigon Investment Banking Spółka z ograniczoną odpowiedzialnością & Wspólnicy S.K.

Pursuant to the agreement, Dom Development S.A. may issue bonds with a total value of up to PLN 400m, understood as the nominal value of all outstanding bonds. The limit of the Programme is renewable. In accordance with the agreement, bonds may be issued by the Company as various series by 17 November 2027.

### DESCRIPTION OF MATERIAL CHANGES IN THE SIX-MONTH PERIOD ENDED 30 JUNE 2023

The total bond issue liabilities in the six-month period ended 30 June 2023 and their maturity dates have not changed.

- New agreement with mBank S.A.

On 7 February 2023 The Management Board of Dom Development S.A. adopted a resolution according to which it agreed to establish by the Company a bond issue programme of Dom Development S.A. with a total value not exceeding PLN 400m, understood as the nominal value of all issued and unredeemed bonds. Moreover, the Management Board of the Company consented for an issue agreement related to the said programme to be entered into by the Company and mBank S.A. with its registered office (the "Issue Agreement").

The Issue Agreement was entered into by the Company and mBank S.A. on 7 February 2023, wherein the bonds may be issued by the Company as various series for an unspecified period of time from the Issue Agreement date onwards. Bonds to be issued under the Programme will:

- be issued:

(a) as prescribed in Article 33(1) of the Bonds Act of 15 January 2015 (the "Bonds Act"), i.e. in a public offering of securities as referred to in Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (the "Prospectus Regulation"), save for the obligation to publish a prospectus in accordance with Article 1(4)(a) or Article 1(4)(b) of the Prospectus Regulation; or

(b) as prescribed in Article 33(2) of the Bonds Act, i.e. in an offering other than the public offering of securities referred to in the Prospectus Regulation, addressed only to one investor;

- be ordinary unsecured bearer bonds;

- have maturity of up to 60 months;

- bear interest at a fixed or variable rate;

- be dematerialised (registered) on the issue date in the securities depository operated by Krajowy Depozyt Papierów Wartościowych S.A. (*National Depository for Securities*) under a condition that they are placed on the market in an alternative trading system operated by Giełda Papierów Wartościowych S.A. (*Warsaw Stock Exchange*) or registered in such a depository through an issuing agent and placed on the market in an alternative trading system operated by Giełda Papierów Wartościowych S.A. (*Warsaw Stock Exchange*) within a specified period from the issue date.

The Issue Agreement also provides for the possibility of concluding a guarantee agreement for each series of bonds issued under the Programme. Based on the said guarantee agreement mBank S.A. shall undertake to subscribe for a specific bond series under the programme on the terms set out in such agreement.

Also on 7 February 2023, Dom Development S.A. and mBank S.A. signed an Issuing Agent Agreement in connection with the issue of bonds under the programme with a value of up to PLN 400m.

## 7.12 ACCRUED INTEREST ON LOANS AND BONDS

ACCRUED INTEREST ON LOANS AND BONDS	30.06.2023 (unaudited)	31.12.2022
Accrued interest on bonds	2 499	2 550
Accrued interest on loans	-	-
<b>Total accrued interest on loans and bonds</b>	<b>2 499</b>	<b>2 550</b>

## 7.13 LEASE LIABILITIES

In accordance with the IFRS 16, the following lease liabilities were recognised in the Group's balance sheet:

- right-of-use of office space and serviced apartments;
- rights of perpetual usufruct of land,
- other (cars).

LEASE LIABILITIES	30.06.2023 (unaudited)	31.12.2022
<b>Lease liabilities, short-term portion, including:</b>	<b>85 716</b>	<b>78 964</b>
liabilities on account of perpetual usufruct right of land	75 736	70 387
liabilities on account of the right-of-use of office space and serviced apartments	9 627	8 577
Other	353	-
<b>Lease liabilities, long-term portion, including:</b>	<b>35 423</b>	<b>30 321</b>
liabilities on account of the right-of-use of office space and serviced apartments	35 423	30 321
Other	-	-
<b>Total</b>	<b>121 139</b>	<b>109 285</b>

In the case of perpetual usufruct right, fees resulting from the period, for which such right to the specific property has been granted (up to 99 years), are discounted. This period does not depend on the period of time during which the Group expects to remain the holder of such perpetual usufruct right, that is on the planned transfer of such right to buyers of units in development projects completed on such land.

As estimated by the Management Board based on property development projects planned on specific land to which the Group held the perpetual usufruct right as at 30 June 2023, out of PLN 75 736k of the land-related lease liabilities recognised as short-term:

- PLN 5 140k is payable by the Group within 12 months following the balance sheet date,
- PLN 7 388k is payable by the Group later than 12 months following the balance sheet date,
- PLN 63 208k is to be transferred to the respective buyers of units.

## 7.14 DEFERRED INCOME

Payments from customers on account of the purchase of apartments and parking spaces are recorded as deferred income until the time that they are delivered to the buyer and are recognised in the income statement as "sales revenue". This balance sheet item is closely dependent over time on the relationship between the sales rate (which as it increases, increases this item) and the deliveries rate (which as it decreases, decreases this item).

DEFERRED INCOME	30.06.2023 (unaudited)	31.12.2022
Deferred income related to the payments received from customers for the purchase of products, not yet included as income in the income statement	1 601 084	1 551 326
Other	-	-
<b>Total</b>	<b>1 601 084</b>	<b>1 551 326</b>

## 7.15 SEGMENT REPORTING

The operations of the Group are generally in a single segment and involve mainly the development and sale of residential and retail (commercial) units, and related support activities. The Company operates only in the Warsaw market, while Dom Development S.A. Capital Group with the Company as the parent, also operates on the Tricity, Wroclaw and Cracow markets. The operations on these markets are carried out through Dom Development S.A. subsidiaries.

The results of activities in the individual markets are assessed mainly on the basis of sale revenues and profit, and gross margin on sales generated by the individual markets.

In view of the above, segmentation for reporting purposes was made within the Group on the basis of the geographical location:

- the Warsaw segment
- the Tricity segment
- the Wroclaw segment
- the Cracow segment

Financial data grouped together on the basis of the geographical location of the Group's real property development projects have been presented below.

<b>FIGURES FOR THE SIX-MONTH PERIOD</b>					
<b>ENDED 30.06.2023</b>					
<b>(unaudited)</b>					
	<b>Warsaw segment</b>	<b>Wroclaw segment</b>	<b>Tricity segment</b>	<b>Cracow segment</b>	<b>Total</b>
Sales revenue	740 148	80 423	364 859	89 087	1 274 517
<b>Gross profit on sales</b>	<b>234 192</b>	<b>16 125</b>	<b>136 958</b>	<b>10 299</b>	<b>397 574</b>
Selling costs, and general administrative expenses					(118 787)
Other operating income and expenses, net					(7 738)
<b>Operating profit</b>					<b>271 049</b>
Financial income and costs, net					10 794
<b>Profit before tax</b>					<b>281 843</b>
Income tax					(59 282)
<b>Net profit</b>					<b>222 561</b>

<b>FIGURES FOR THE SIX-MONTH PERIOD</b>					
<b>ENDED 30.06.2022</b>					
<b>(unaudited)</b>					
	<b>Warsaw segment</b>	<b>Wroclaw segment</b>	<b>Tricity segment</b>	<b>Cracow segment</b>	<b>Total</b>
Sales revenue	858 609	94 805	245 026	130 385	1 328 825
<b>Gross profit on sales</b>	<b>288 044</b>	<b>28 634</b>	<b>89 181</b>	<b>(389)</b>	<b>405 470</b>
Selling costs, and general administrative expenses					(111 053)
Other operating income and expenses, net					(11 882)
<b>Operating profit</b>					<b>282 535</b>
Financial income and costs, net					10 538
<b>Profit before tax</b>					<b>293 073</b>
Income tax					(57 250)
<b>Net profit</b>					<b>235 823</b>

## 7.16 SALES REVENUE AND COST OF SALES

ANALYSIS OF SALES REVENUE AND COST OF SALES	01.01-30.06	01.01-30.06
	2023	2022
	(unaudited)	(unaudited)
Sales of finished goods	1 228 925	1 238 093
Sales of services*	45 507	46 622
Sales of goods (land)	85	44 110
<b>Sales revenue, total</b>	<b>1 274 517</b>	<b>1 328 825</b>
Cost of finished goods sold	(834 263)	(836 785)
Cost of services sold	(42 676)	(43 813)
Cost of goods sold	(4)	(42 757)
Inventory write down to the net realisable value	-	-
<b>Cost of sales, total</b>	<b>(876 943)</b>	<b>(923 355)</b>
<b>Gross profit on sales</b>	<b>397 574</b>	<b>405 470</b>

\*) Revenue from the sale of services includes revenue from the sale of construction services recognised by the percentage of completion method as applied to construction contracts. In the six-month period ended 30 June 2023, the revenue was PLN 30 415k, and in the six-month period ended 30 June 2022 it was PLN 32 981k. In the item "Other current assets" as at 30 June 2023, the Company recognised the amount of PLN 30 415k in respect of the measurement of construction contract.

## 7.17 INCOME TAX IN THE INCOME STATEMENT

INCOME TAX	01.01-30.06	01.01-30.06
	2023	2022
	(unaudited)	(unaudited)
Current income tax	(54 212)	(60 575)
Deferred tax in the income statement	(5 070)	3 325
<b>Total</b>	<b>(59 282)</b>	<b>(57 250)</b>

## 7.18 EARNINGS PER SHARE

CALCULATION OF BASIC AND DILUTED EARNINGS PER SHARE	01.01-30.06	01.01-30.06
	2023	2022
	(unaudited)	(unaudited)
<b>BASIC EARNINGS PER SHARE</b>		
Profit for calculation of the basic earnings per share	222 563	235 782
The weighted average number of ordinary shares of the Company for the calculation of basic earnings per share	25 616 654	25 497 870
<b>Basic earnings per share (PLN)</b>	<b>8.69</b>	<b>9.25</b>
<b>DILUTED EARNINGS PER SHARE</b>		
Profit for calculation of the diluted earnings per share	222 563	235 782
Potential diluting shares related to the Management Share Option Programme	89 149	44 994
The weighted average number of ordinary shares of the Company for the calculation of diluted earnings per share	25 705 803	25 542 864
<b>Diluted earnings per share (in PLN)</b>	<b>8.66</b>	<b>9.23</b>

As the Group has no discontinued operations, the earnings per share from the continued operations equal the earnings per share calculated above.

## 7.19 TRANSACTIONS WITH RELATED ENTITIES

In the six-month periods ended 30 June 2023 and 2022, the Company was a party to transactions with related entities, as listed below.

<b>DOM DEVELOPMENT S.A. AS A BUYER OF GOODS OR SERVICES:</b>			
Counterparty	Transaction description	01.01-30.06	01.01-30.06
		2023	2022
		<i>(unaudited)</i>	<i>(unaudited)</i>
Woodsford Consulting Limited	Consulting services as per the agreement dated 27.06.2007 as annexed	2 177	1 527
Hansom Property Company Limited	Consulting services as per the agreement dated 02.01.2001 as annexed	1 622	1 400
M&M Usługi Doradcze M. Kolarski	Consulting services	-	135
Doradztwo w zakresie infrastruktury technicznej Rafał Kierski (technical infrastructure consulting)	Cooperation Agreements	1 190	690

### BALANCES WITH RELATED ENTITIES - AS ACCOUNTED FOR IN THE BOOKS OF THE COMPANY

	Receivables from related entities		Liabilities to related entities	
	30.06.2023	31.12.2022	30.06.2023	31.12.2022
Hansom Property Company Limited	-	-	132	135
Woodsford Consulting Limited	-	-	730	211
Doradztwo w zakresie infrastruktury technicznej Rafał Kierski (technical infrastructure consulting)	492	492	141	141

The transactions with the related entities are based on the arm's length principle.

## 7.20 COMPANY'S SHARE OPTIONS

### INCENTIVE PLAN – MANAGEMENT OPTION PROGRAMMES

As at 30 June 2023 there were two active Management Option Programmes adopted as part of the Incentive Scheme for the executives in the Company.

MANAGEMENT OPTION PROGRAMMES	30.06.2023			31.12.2022		
	<i>(unaudited)</i>					
Name of the Programme	Options in the programme (number of shares)	Options granted (number of shares)	Options exercised (number of shares)	Options in the programme (number of shares)	Options granted (number of shares)	Options exercised (number of shares)
Programme V	250 000	250 000	200 000	250 000	250 000	150 000
Programme VII*)	250 000	250 000	100 000	250 000	250 000	50 000

\*) As at 31 December 2022, 50 000 share options have been exercised under Programme VII, in respect of which shares were registered by the District Court for the Capital City of Warsaw on 26 January 2023 (see note 7.9).

### Grant of new share options under the management option programme

In the six-month periods ended 30 June 2023 and 2022 the Company did not grant any new share options.

### Exercise of share options under the management option programme

On 8 February 2023, there were exercised share options in the Company by exercising rights under subscription warrants and subscribing for 100 000 shares, as described in note 7.9.

### Expiry of share options under the management option programme

In the six-month periods ended 30 June 2023 and 2022 no share options expired in the Company.

### Cost of Management Option Programmes accounted for in the income statement and the shareholders' equity

In the six-month periods ended 30 June 2023 and 2022 the amounts of PLN 1 750k and PLN 328k respectively, were accounted for in the income statement as the management options granted and in the supplementary capital.

### SHARE OPTIONS GRANTED AND EXERCISABLE AS AT RESPECTIVE BALANCE SHEET DATES, AND CHANGES IN THE PRESENTED PERIODS:

		01.01-30.06 2023 (unaudited)	01.01-30.06 2022 (unaudited)
<b>Unexercised options at the beginning of the period</b>	<b>Number of options</b>	<b>300 000</b>	<b>250 000</b>
	<b>Total exercise price</b>	<b>15 000</b>	<b>11 000</b>
Options granted in the period	Number of options	-	-
	Total option exercise value	-	-
Options expired in the period	Number of options	-	-
	Total option exercise value	-	-
Options exercised in the period	Number of options	100 000	150 000
	Total option exercise value	5 000	6 000
	Weighted average exercise price per share (PLN per share)	50,00	40,00
<b>Unexercised options at the end of the period</b>	<b>Number of options</b>	<b>200 000</b>	<b>100 000</b>
	<b>Total exercise price</b>	<b>10 000</b>	<b>5 000</b>
Exercisable options at the beginning of the period	Number of options	100 000	150 000
	Total exercise price	5 000	6 000
Exercisable options at the end of the period	Number of options	-	-
	Total exercise price	-	-

## 7.21 CONTINGENT LIABILITIES

CONTINGENT LIABILITIES	30.06.2023 (unaudited)	31.12.2022
Guarantees	19 947	21 359
Sureties	6 571	6 571
<b>Total</b>	<b>26 518</b>	<b>27 930</b>

On 19 January 2023, a master agreement was signed between Dom Development S.A. and mBank S.A. setting forth the rules for Dom Development S.A. utilising bank guarantees under the guarantee line provided, up to a maximum amount of PLN 30m. mBank S.A. has made a guarantee line available to Dom Development S.A. for the period from the date of the agreement until 29 January 2027. As of the date of entry into force of the above-mentioned master agreement (i.e. 20 January 2023), the agreement has covered all bank guarantees issued by mBank S.A. on behalf of Dom Development S.A.



Additionally, some liabilities of the companies operating within the Group are secured with promissory notes:

<b>COLLATERALS FOR LIABILITIES</b>	<b>30.06.2023</b> <i>(unaudited)</i>	<b>31.12.2022</b>
Promissory notes, including:	5 900	5 900
- promissory notes as other security	5 900	5 900
- promissory notes as a security for lease agreements	-	-
<b>Total</b>	<b>5 900</b>	<b>5 900</b>

In the six-month period ended 30 June 2023 the companies operating within the Group did not provide any guarantees for loans or borrowings, nor any other guarantees – jointly to one related entity or its subsidiary, the value of which would be material for the Group or would amount to at least 10% of the Company’s shareholders’ equity.

## 7.22 MATERIAL COURT CASES AS AT 30 JUNE 2023

As at 30 June 2023 the companies operating within the Group were not a party to any material court cases.

## 7.23 FACTORS AND EVENTS WITH MATERIAL IMPACT ON THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP

### IMPACT OF THE ECONOMIC SITUATION ON THE ONGOING COMPANY’S OPERATIONS

In H1 2023, the Group's operations continued smoothly, and despite numerous challenges in the market environment all investment projects were progressing according to schedule.

Over that period, the situation on the housing market improved. The number of transactions increased, which is due in part to the fact that the process of interest rate hikes by the National Bank of Poland came to an end. In addition, in February this year, the Polish Financial Supervision Authority (KNF) decided to ease the recommendation regarding creditworthiness assessment for individual clients, which also helped to stimulate the demand related to the purchase of new apartments by clients.

The level of interest rates directly translates into the costs of financing the company’s operations, having a particularly strong impact on highly indebted entities. Dom Development S.A. Capital Group is only slightly exposed to the increased cost of debt servicing as 80% of issued bonds are hedged with financial instruments such as interest rate swaps and cap options. Moreover, the Group’s low debt and high availability of finance place the Group in a good position when compared to the overall market. Some property developers have been forced to limit their investment activities, while in the opinion of the Company’s Management Board, Dom Development S.A. Group has all the resources required to use the arising market opportunities.

H1 2023 turned out to be the period when we observed an improvement in the economic situation and a gradual recovery of sales in the residential property market. Q2 2023 was one of the calmest quarters since the outbreak of the pandemic. A significant emphasis was placed on finding a “new equilibrium” between supply and demand.

The activation of the property market is affected by several factors that have translated into good sales results. Firstly, we have been observing stabilisation of interest rates in for many months now. In addition, the demand was positively influenced by the PFSA easing its requirements as regards the credit scoring, which, combined with major increase in average salaries recorded in the last six months, resulted in higher availability flats for clients in the popular segment.

Investing in residential property continues to be encouraged by high inflation rates and a strong rental market, as well as negative real interest rates on bank deposits. The interest in new apartments is also driven by client’s expectations as regards “Safe 2% Mortgage” government program to be launched soon. When combined with a limited offer from developers after a difficult 2022, this is direct stimulant for price increases.

In response to the constantly growing demand, the Group consistently launches construction of new projects in line with market expectations, thus replenishing the offer of available apartments in all the cities where it operates. This is facilitated by the stabilisation of construction costs, which gives us greater predictability when launching new projects, thus limiting the risk to margins. This ensures satisfactory profitability of the development projects under construction. The construction of all Dom

Development Group projects by its in-house general contractors further contributes to the profitability achieved by us without compromising the high quality. In H2 2023, we plan to systematically expand our product offer with new projects.

In the current market environment, the advantage have developers such as Dom Development Group, namely experienced, well-known for their high quality, having a diversified land bank and a stable financial situation allowing to smoothly launch projects.

Detailed information on the projects in progress and completed by Dom Development S.A. Capital Group in the six-month period ended 30 June 2023 has been presented below.

### CHANGES TO THE PORTFOLIO OF ONGOING PROPERTY DEVELOPMENT PROJECTS CARRIED OUT BY THE GROUP IN THE PERIOD FROM 1 JANUARY TO 30 JUNE 2023

#### DEVELOPMENT PROJECTS COMMENCED FROM 1 JANUARY UNTIL 30 JUNE 2023:

PROJECT	COMPANY*)	LOCATION*)	NUMBER OF APARTMENTS AND RETAIL UNITS
Osiedle Urbino, stage 2	Dom Development S.A.	Warsaw	180
Osiedle Jagiellońska, stage 2	Dom Development S.A.	Warsaw	137
Osiedle Jagiellońska, stage 3	Dom Development S.A.	Warsaw	45
Synteza AB	Euro Styl S.A.	Tricity	101
Lema ABC	Euro Styl S.A.	Tricity	189
Dynamika E-F-G	Euro Styl S.A.	Tricity	114
Osiedle Beauforta 2, buildings A5-A6	Euro Styl S.A.	Tricity	87
Osiedle Zielna, stage 3 phase 2	Dom Development Wrocław Sp. z o.o.	Wrocław	72
Apartamenty nad Rzeką	Dom Development Wrocław Sp. z o.o.	Wrocław	152
29 Aleja, stage B	Dom Development Kraków Sp. z o.o.	Cracow	151
Górka Narodowa C3	Dom Development Kraków Sp. z o.o.	Cracow	147
<b>Q1 2023</b>			<b>1 375</b>
Osiedle Przystanek Międzyzlesie, phase 2	Dom Development S.A.	Warsaw	108
Apartamenty Białej Koniczyny, phase 2	Dom Development S.A.	Warsaw	71
Osiedle Przy Alejach, phase 1	Dom Development S.A.	Warsaw	122
Osiedle Urbino 2, phase 1	Dom Development S.A.	Warsaw	139
Przy Błoniach 3, buildings B1, B8	Euro Styl S.A.	Tricity	124
Osiedle Komedy, stage 5	Dom Development Wrocław Sp. z o.o.	Wrocław	115
Osiedle Zielna, stage 3	Dom Development Wrocław Sp. z o.o.	Wrocław	123
Osiedle Głębocka, phase 1	Dom Development Wrocław Sp. z o.o.	Wrocław	187
Osiedle Głębocka, phase 1	Dom Development Wrocław Sp. z o.o.	Wrocław	159
<b>Q2 2023</b>			<b>1 148</b>
	<b>DOM DEVELOPMENT S.A. CAPITAL GROUP</b>		<b>2 523</b>
<b>IN TOTAL:</b>	DOM DEVELOPMENT S.A.	Warsaw	802
<b>UNITS WITH CONSTRUCTION STARTED</b>	EURO STYL S.A.	Tricity	615
<b>IN H1 2023</b>	DOM DEVELOPMENT WROCŁAW SP. Z O.O.	Wrocław	808
	DOM DEVELOPMENT KRAKÓW SP. Z O.O.	Cracow	298

\*) The projects allocated to Euro Styl S.A. also include project developed by entities from the Euro Styl S.A. Capital Group in the Tricity market, which is considered by the Group to include projects in Rumia and Jastarnia.

**DEVELOPMENT PROJECTS COMPLETED FROM 1 JANUARY UNTIL 30 JUNE 2023:**

PROJECT	COMPANY*)	LOCATION*)	NUMBER OF APARTMENTS AND RETAIL UNITS
Osiedle Bokserska 71	Dom Development S.A.	Warsaw	234
Osiedle Ceramiczna	Dom Development S.A.	Warsaw	346
Dzielnica Mieszkaniowa Metro Zachód, stage 11 phase 2	Dom Development S.A.	Warsaw	88
Osiedle przy Błoniach	Euro Styl S.A.	Tricity	110
<b>Q1 2023</b>			<b>778</b>
Dom na Służewcu (Kłobucka)	Dom Development S.A.	Warsaw	108
DOKI - task 2 (B)	Euro Styl S.A.	Tricity	134
Wydma	Euro Styl S.A.	Tricity	59
Dynamika C-D	Euro Styl S.A.	Tricity	106
Zielony Południk, buildings 24-25	Euro Styl S.A.	Tricity	44
Osiedle Beauforta 2, buildings A1-A4	Euro Styl S.A.	Tricity	186
Osiedle Komedy, phase 4	Dom Development Wrocław Sp. z o.o.	Wrocław	131
<b>Q2 2023</b>			<b>768</b>
	<b>DOM DEVELOPMENT S.A. CAPITAL GROUP</b>		<b>1 546</b>
<b>IN TOTAL:</b>	<b>DOM DEVELOPMENT S.A.</b>	<b>Warsaw</b>	<b>776</b>
<b>UNITS WITH CONSTRUCTION ENDED</b>	<b>EURO STYL S.A.</b>	<b>Tricity</b>	<b>639</b>
<b>IN H1 2023</b>	<b>DOM DEVELOPMENT WROCŁAW SP. Z O.O.</b>	<b>Wrocław</b>	<b>131</b>
	<b>DOM DEVELOPMENT KRAKÓW SP. Z O.O.</b>	<b>Cracow</b>	<b>-</b>

\*) The projects allocated to Euro Styl S.A. also include project developed by entities from the Euro Styl S.A. Capital Group in the Tricity market, which is considered by the Group to include projects in Rumia and Jastarnia.

**INFORMATION ON DELIVERIES OF RESIDENTIAL AND RETAIL UNITS**

Number of residential and retail units delivered to customers by the Group companies in the six-month period ended 30 June 2023 has been presented in the following table:

NUMBER OF APARTMENTS AND RETAIL UNITS DELIVERED			
COMPANY	LOCATION	H1 2023	H1 2022
Dom Development S.A.	Warsaw	1 088	1 294
Euro Styl S.A.	Tricity	580	548
Dom Development Wrocław Sp. z o.o.	Wrocław	168	236
Dom Development Kraków Sp. z o.o.*)	Cracow*)	162	100
<b>TOTAL</b>		<b>1 998</b>	<b>2 178</b>

\*) The figures for Cracow include deliveries across all Group companies in the Cracow market.

## 7.24 DIVIDEND AND PROFIT DISTRIBUTION

**DIVIDENDS PAID**

In the six-month periods ended 30 June 2023 and 2022, the Company did not pay any dividends.

On 15 June 2023, the Ordinary General Meeting of Shareholders of the Company adopted a resolution on the distribution of net profit of the Company for 2022 and fixing the date of record and the dividend payment date. In accordance with the resolution passed, the Ordinary General Meeting of Shareholders of the Company decided to allocate the total amount of PLN 282 682 642.00 to the payment of dividends to shareholders in Dom Development S.A., i.e. PLN 11.00 per share, and a portion of the Company's 2022 net profit in the amount of PLN 91 001 662.08 to the increase of the Company's supplementary capital.

The date of record was set as 26 June 2023 and the dividend payment date as 4 July 2023.

The 2021 dividend in the amount of PLN 268 258 431.00 (i.e. PLN 10.50 per share) was paid on 16 August 2022.

## 7.25 CHANGES IN THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD

The following changes in the composition of the Supervisory Board of the Company took place in the six-month period ended 30 June 2023.

On 12 May 2023, Mr Marek Moczulski, Member and Vice Chairman of the Company's Supervisory Board and Mr Krzysztof Grzyliński, Member of the Company's Supervisory Board, resigned from their positions on the Supervisory Board, with effect from 15 June 2023.

As of 14 June 2023, Mr Markham Dumas, Member of the Company's Supervisory Board, resigned from his position of Member of the Company's Supervisory Board.

As of 15 June 2023, a shareholder holding at least 50.1 % of the Company's shares appointed Mr Philippe Bonavero for a joint three-year term of office as a Member of the Company's Supervisory Board.

On 15 June 2023, the Ordinary General Meeting of Dom Development S.A. appointed Ms Edyta Wojtkiewicz and Ms Anna Maria Panasiuk to the Supervisory Board of the Company for a joint three-year term of office.

Moreover, on 15 June 2023, the Supervisory Board of the Company appointed Dorota Podedworna-Tarnowska, an existing Member of the Supervisory Board, as Vice Chairperson of the Supervisory Board.

## 7.26 MATERIAL POST-BALANCE SHEET EVENTS

No material post-balance sheet events occurred in the six-month period ended 30 June 2023.

## 7.27 FORECASTS

The Management Board of Dom Development S.A. does not publish any financial forecasts concerning both, the parent company and the Group.

## 7.28 SELECTED FINANCIAL DATA TRANSLATED INTO EURO

In accordance with the financial reporting requirements the following financial data of the Group have been translated into euro:

<b>SELECTED DATA FROM THE INTERIM CONDENSED CONSOLIDATED BALANCE SHEET</b>	<b>30.06.2023</b> in EUR '000 <i>(unaudited)</i>	<b>31.12.2022</b> in EUR '000
Total current assets	945 650	839 388
Total assets	983 322	876 768
Total shareholders' equity	304 568	301 344
Long-term liabilities	109 221	93 896
Short-term liabilities	569 534	481 528
Total liabilities	678 754	575 424
<b>PLN/EURO exchange rate as at the balance sheet date</b>	<b>4.4503</b>	<b>4.6899</b>



SELECTED DATA FROM THE INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT	01.01-30.06	01.01-30.06
	2023	2022
	in EUR '000 (unaudited)	in EUR '000 (unaudited)
Sales revenue	276 286	286 220
Gross profit on sales	86 185	87 336
Operating profit	58 757	60 856
Profit before tax	61 097	63 126
Net profit	48 246	50 795
<b>Average PLN/EURO exchange rate for the reporting period</b>	<b>4.6130</b>	<b>4.6427</b>